

Services Guide

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California Multiple Award Schedules

Procurement Division • Department of General Services
State of California

CMAS SERVICES GUIDE

CALIFORNIA MULTIPLE AWARD SCHEDULE

Includes updated information from Bulletin #1 through Bulletin #36

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CMAS SERVICES GUIDE

SECTION 1 – OVERVIEW

This packet provides guidelines for procuring services on the CMAS program.

This guide does not eliminate or override statutory requirements. It is intended to augment information provided in the CMAS Agency Packet, and includes a special focus on developing a Statement of Work (SOW) and making best value selections for service transactions.

Legislative Overview

The CMAS program was established in May 1994 (Public Contract Code Sections 10290 et seq. and 12101.5(b)) and included all goods and information technology products and services only. It was expanded in January 2001 (Revised Public Contract Code Sections 10290, 10290.1 and 12101.5(b)) to include non-information technology services.

CMAS is Optional

Subject to the Department of General Services delegation guidelines, agencies may bid or use leveraged procurement contracts like CMAS to meet their procurement needs.

Outsourcing Services

Careful analysis must be given by state agencies to using contracted personnel rather than using civil service positions within state government.

The State Constitution generally requires contracting to be limited to those services that cannot be performed by civil service employees except as provided for in Government Code 19130.

See ATTACHMENT A of this packet for guidelines.

Conflict of Interest

Agencies must develop a plan to evaluate the proposed purchase order for any potential conflict of interest issues.

See ATTACHMENT B of this packet for guidelines.

What are Personal and Consulting Services?

Personal Services – Purchase orders for services that have someone doing something, e.g., cleaning services, waste removal services.

Consulting Services – Purchase orders for services of an advisory nature that provide a recommended course of action or personal expertise (product of the mind).

Program Exclusions

Architectural, Engineering, and Environmental Services

Services are not allowed on CMAS that are required by law to be performed by a licensed architect, licensed registered engineer, licensed landscape architect, construction project manager, licensed land surveyor, or environmental services as defined in Government Code 4525. If you have questions about these types of transactions, the Department of General Services (DGS), Real Estate Services Division (RESA) can be contacted at 916/376-1748.

CMAS SERVICES GUIDE

SECTION 1 – OVERVIEW

Program Exclusions (Continued)

Legal Services

Contracting for legal services by state agencies is controlled by statutes (Government Code 11040) that require Attorney General approval prior to entering into contracts with outside counsel. Additionally, Article VII of the California Constitution requires that state legal work be performed by state employees, absent limited exceptions (Government Code 19130). There are also policy-based approval requirements for all Executive Branch agencies that control the use of private counsel.

Public Works

Does the work involve erection, construction, alteration, repair or improvement of a public structure as defined in Public Contract Code 1101.

See the State Contracting Manual, Section 10 and 11 and the CMAS Agency Packet, Section 16, Public Works Projects.

The Department of General Services (DGS) Real Estate Services Division (RESA) should be contacted for information on these types of transactions. For Architectural and Engineering, contact 916/376-1748. For Public Works, contact 916/376-1768.

Fair and Reasonable

Conducting business in a professional manner and treating the Contractors fairly and reasonably promotes responsive and supportive business partners.

Procurement Division Training

The Procurement Division provides agency training through their California Acquisition & Materials Management Institute (CAMMI). Class schedules are available on the CAMMI web site at www.dgs.ca.gov/pd or at 916/375-4500.

CMAS SERVICES GUIDE

SECTION 2 – ADMINISTRATIVE REQUIREMENTS

Reporting Requirements

Legislation requires that state agencies submit various reports on procurement practices.

See CMAS Agency Packet, Section 10, Statewide Procurement Requirements, Special Attention.

Insurance Requirements

Insurance is required for hazardous activities. State agency transactions for hazardous activities costing \$100 or more must be submitted to the Department of General Services (DGS) Office of Risk and Insurance Management (ORIM) (916/376-5300). See State Contracting Manual, Section 3, Hazardous Activities Contracts.

DGS/ORIM is available to provide consultation on all insurance and liability matters.

Progress Payments

A progress payment is a partial payment for a portion or segment of the work needed to complete a task.

If a purchase order consists of the performance of separate and distinct tasks, then any funds withheld for a particular task may be paid upon completion of that task (Public Contract Code 10346). To determine whether a particular task is separate and distinct, you must decide if later tasks build on it.

a. Special Information Technology Services

Any contract for information technology services (Public Contract Code 12112), to be manufactured or performed by the Contractor especially for the State and not suitable for sale to others in the ordinary course of the Contractor's business may provide, on such terms and conditions as the department deems necessary to protect the State's interests, for progress payments for work performed and costs incurred at the Contractor's shop or plant, provided that not less than 10 percent of the contract price is required to be withheld until final delivery and acceptance of the goods or services, and provided further, that the Contractor is required to submit a faithful performance bond, acceptable to the department, in a sum not less than one-half of the total amount payable under the contract securing the faithful performance of the contract by the Contractor.

b. Non-Information Technology Services

Any contract for non-information technology services (Public Contract Code 10346) may provide for progress payments to contractors for work performed or costs incurred in the performance of the contract. Not less than 10 percent of the contract amount shall be withheld pending final completion of the contract. However, if the contract consists of the performance of separate and distinct tasks, then any funds so withheld with regard to a particular task may be paid upon completion of that task.

CMAS SERVICES GUIDE

SECTION 2 – ADMINISTRATIVE REQUIREMENTS

Progress Payments (Continued)

Recommended policy for state agencies:

- Discourage progress payments whenever possible.
 - Do not allow progress payments on purchase orders for less than three months.
 - If progress payments are to be made, they should be made not more frequently than monthly in arrears or at clearly identifiable stages of progress, based upon written progress reports submitted with the Contractor's invoices.
 - Progress payments shall not be made in advance of services rendered.
 - Purchase orders may require a ten percent (10%) withhold of each progress payment pending satisfactory completion of the purchase order or a separate and distinct task.
-

Advance Payments

It is NOT acceptable to pay for services in advance except software maintenance and license fees that are considered a subscription and may be paid in advance if a provision addressing payment in advance is included in the purchase order.

Warranty upgrades and extensions may also be paid for in advance, one time.

Advance payment for services is allowed by Government Code 11019 only under limited, narrowly defined circumstances, e.g., between specific departments and certain types of non-profit organizations, or when paying another government agency.

Contract Manager

The contract manager is a person designated by the ordering department to monitor the Contractor's performance to ensure compliance with all purchase order provisions (usually a program staff member familiar with the requirements of the purchase order). Duty may or may not include authority to sign purchase orders.

The contract manager serves as a liaison with the Contractor and may perform administrative tasks ranging from the request of services through the performance and final payment for completed services.

See Section 9 of the State Contracting Manual for the following guidelines:

- Responsibilities of the Contract (Purchase Order) Manager
 - Contract (Purchase Order) Manager "Don'ts"
 - Ethics
 - Record Keeping
 - Performance of the Contractor
 - Termination of the Contract (Purchase Order)
 - Closing of Service Contracts (Purchase Order)
 - Retention of Contract (Purchase Order) Records
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CMAS SERVICES GUIDE

SECTION 2 – ADMINISTRATIVE REQUIREMENTS

Contractor Travel

If the CMAS contract provides for travel, state agencies may pay travel and per diem expenses according to state travel time and per diem rules (represented employee rates) with verified receipts.

Notwithstanding the contract provisions, the State will not be responsible for the cost of travel to bring contractor personnel to the agency site to commence work. However, if requested by the ordering agency, the agency will be responsible for the cost of travel from one California agency site to another.

Local government agency, education and special districts will pay travel time and per diem according to their respective statutory requirements.

All travel and per diem expenses must be within CMAS contract parameters, and incorporated into the agency purchase order.

It is important that the agency and contractor discuss necessary travel requirements prior to issuing the purchase order because the detail and cost (only as allowed for in the contract) must be included in the agency purchase order to be payable.

Contractor Name Changes

Many contractors are changing name and ownership status. The company name on the CMAS contract, purchase order and invoice must match or the State Controller's Office will not approve payment. Do not approve invoices if the company name varies between these documents. Contractors must contact the CMAS Unit to initiate a legal name change for their CMAS contract.

Purchase Order Termination

The only provisions in the CMAS contract for early termination of a purchase order are in the areas identified below:

- Termination for Convenience (see Stop Work)
- 30 day notice for maintenance transactions
- 90 day notice for most federal GSA based copier contracts

Agencies may negotiate with the Contractor to include a termination provision in the purchase order (before it is issued). The Contractor is not legally obligated to accept increased risk.

Bond Requirements

Public Works: Prior to the commencement of performance, the Contractor must obtain and provide to the State, a payment bond, on Std. Form 807, when the purchase order involves a public works expenditure (labor/installation costs) in excess of \$5,000. Such bond shall be in a sum not less than one hundred percent (100%) of the contract price. Forms shall be provided to the Contractor. See the General Terms and Conditions, CMAS Public Works Requirements.

Progress Payments: Special contracts for goods and information technology products and/or services not suitable for sale to others; progress payments; performance bonds (Public Contract Code 10314 and 12112):

CMAS SERVICES GUIDE

SECTION 2 – ADMINISTRATIVE REQUIREMENTS

Bond Requirements (Continued)

Not less than 10 percent of the contract price is required to be withheld until final delivery and acceptance of the goods or services, and provided further, that the Contractor is required to submit a faithful performance bond, acceptable to the department, in a sum not less than one-half of the total amount payable under the contract securing the faithful performance of the contract by the Contractor. See CMAS contract terms and conditions, Information Technology, General Terms and Conditions, 7., CMAS Progress Payments/Performance Bonds.

See CMAS Agency Packet, Attachment F, Sample Bond Language.

Administrative Fee/Billing

The Procurement Division will bill each state and local government agency for use of CMAS contracts equal to 1.93% of the total value of each purchase order, except for purchase orders issued to certified small businesses because they are exempt from the Procurement Division administrative fee.

The 1.93% also applies to the finance cost for financed transactions. See CMAS Agency Packet, Section 9, for Rental, Finance, and Lease Policies.

The Procurement Division will invoice state and local government agencies directly. The administrative fee is:

- Not included in the purchase order
- Not invoiced by the Contractor
- Not remitted by the agency before an invoice is received

The agency can ask the Contractor to pay the administrative fee (contractor may decline). In this case, the agency forwards the Procurement Division invoice to the Contractor and the Contractor issues a check to the Procurement Division for the invoice amount.

When the total of the agency purchase order is higher than the invoiced amount, the agency must issue an amendment to the purchase order to lower the total amount or DGS/PD will bill the administrative fee against the original higher total.

CMAS SERVICES GUIDE

SECTION 3 - AGENCY RESPONSIBILITIES

Contracting Expertise and Successful Results

Each agency is responsible for its own contracting program and purchasing decisions, including use of the CMAS program and associated outcomes.

It is the responsibility of the ordering agency to have sufficient procurement expertise and understanding of applicable codes, policies, and guidelines and the CMAS program parameters to ensure that transactions are legal and consistent with best business practices.

This responsibility includes, but is not necessarily limited to, ensuring the necessity of the services, securing appropriate funding, complying with laws and policies, preparing the purchase order in a manner that safeguards the state's interests, obtaining required approvals, and documenting compliance with Government Code 19130.b (3) for outsourcing services.

Successful CMAS transactions are totally the responsibility of the ordering agency. Agency staff must possess sufficient knowledge of essential acquisition principles and practices to make appropriate purchasing decisions or risk loss of delegated authority to use the CMAS program.

Legal Counsel

It is the responsibility of each agency to consult as applicable with their legal staff and contracting offices for advice depending upon the scope or complexity of the purchase order.

If you do not have legal services available to you within your agency, the DGS Office of Legal Services is available to provide services on a contract basis.

CMAS SERVICES GUIDE

SECTION 4 – ORDERING INSTRUCTIONS

Order Limits	See CMAS Agency Packet, Section 13, Purchase Order Dollar Limits and Solicitation Process for order limits.
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Non-Information Technology Services Exceeding \$50,000	<p>State agency purchase orders (not applicable to local government agencies) for non-information technology services that exceed \$50,000 must be reviewed and approved by the Department of General Services, Procurement Division (DGS/PD) before issuance to the Contractor.</p> <p>Once the purchase order is approved by DGS/PD, it will be stamped approved and signed by DGS/PD and returned to the agency for issuance to the Contractor.</p> <p>Contractors are prohibited from accepting purchase orders without the DGS/PD stamp of approval and signature. Violation of this requirement may result in contract termination.</p> <p>Agencies must send purchase orders that exceed \$50,000 to the following address for review and approval:</p> <p style="margin-left: 40px;">Department of General Services Procurement Division, Contract Negotiations Unit 707 Third Street, Second Floor West Sacramento, CA 95605 IMS #Z-1</p>
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Contract Number	<p>Contracts for non-information technology services will start with a 4 and include a 03 in the third field. Example: 4-XX-03-XXXX.</p> <p>Contracts for information technology services will start with a 3 and include various numbers in the third field. Example: 3-XX-XX-XXXX.</p>
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Purchase Order Form	<p>State agencies will use the STD. 65 Contract/Delegation Purchase Order form to procure services. Directions for obtaining an online copy of the form can be found in CMAS Agency Packet, Section 14, Purchase Order Procedures and Guidelines.</p> <p>Local government agencies use their own purchase order forms and process them exactly like the STD. 65 Purchase Order Form.</p>
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Statement of Work	<p>All purchase orders for service must include a Statement of Work (SOW). The level of success depends on fully assessing and defining agency needs in the SOW. To be successful, agencies must:</p> <ul style="list-style-type: none">• Determine the level of quality sufficient to meet their needs and guarantee the desired outcome.• Identify the capabilities and qualifications required of a contractor to accomplish the required outcome. <p>See ATTACHMENT C of this packet for guidelines.</p>
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CMAS SERVICES GUIDE

SECTION 4 – ORDERING INSTRUCTIONS

Resellers	Authorized CMAS resellers qualify as independent solicitation offers. That is, the agency can obtain the necessary offers from one CMAS contract with multiple resellers.
Small Business	<p>Prior to placing purchase orders under the California Multiple Award Schedules program, state agencies shall whenever “practicable” first consider offers from small businesses that have established CMAS contracts (Government Code Section 14846(b)).</p> <p>NOTE: The Department of General Services will request substantiation of compliance during a compliance review.</p>
Not Competitive Bid	This is not a competitive bid transaction so small business preference, protest language, intents to award, evaluation criteria, advertising, etc. are not applicable. Ensure that the Contractor understands that your CMAS transaction is not a competitive bid.
Multiple Contractors	<p>Ideally, agencies will obtain all of their requirements from the same CMAS contractor because unlike the bid process each individual contractor is responsible “only” for their portion (whatever their individual purchase order specifies), not the total solution with everything completed and working together. Even if an agency hires a project manager, the project manager is responsible only for “project management.” Consequently, the agency is solely responsible for the successful integration of all components.</p> <p>Agencies must develop complete Statements of Work (SOW) that include all necessary requirements. See CMAS Agency Packet, Attachment I for sample language and a list of questions that can be used for developing Statements of Work.</p>
Delivery	The <u>purchase order</u> must be issued before the CMAS contract end term. However, delivery of the products or completion of the services may be after the contract end term, but must be as provided for in the contract and as specified in the purchase order.
Network Design Services	All network design services must result in a hardware or software solution. Also, all network design services performed by the Contractor that include infrastructure components must be performed by a BICSI certified Registered Communications Distribution Designer (RCDD) employed either by the Contractor or subcontractor. Evidence of RCDD certification may be required by the ordering agency.
Purchase Order Processes	See CMAS Agency Packet, Section 13, Purchase Order Dollar Limits and Solicitation Process, for complete ordering instructions.

CMAS SERVICES GUIDE

SECTION 5 – SMALL AND DISABLED VETERAN BUSINESSES AND AMERICANS WITH DISABILITIES (ADA)

Small and Disabled Veteran Business Participation

Two Executive Orders require that agencies contract with Small and Disabled Veteran Business Enterprises (S/DVBE) whenever practicable (Government Code Section 14846(b). S/DVBE contractors are separately listed on the Procurement Division's web site (www.dgs.ca.gov/pd) click on CMAS).

NOTE: The Department of General Services will request substantiation of compliance with this requirement during a compliance review.

Administrative Fee Waived for Small/DVBE Businesses

The Department of General Services, Procurement Division, is waiving the 1.93% administrative fee (a fee currently charged to customer agencies to support the CMAS program) for purchase orders awarded to certified small business enterprises.

Small/DVBE Business Subcontracting Participation

SMALL BUSINESS/DVBE – TRACKING

State agencies are able to claim subcontracting dollars towards their small business or DVBE goals whenever the Contractor subcontracts a commercially useful function to a certified small business or DVBE. The Contractor will provide the ordering agency with the name of the small business or DVBE used and the dollar amount the ordering agency can apply towards its small business or DVBE goal.

SMALL BUSINESS/DVBE SUBCONTRACTING

The amount an ordering agency can claim towards achieving its small business or DVBE goals is the dollar amount of the subcontract award made by the Contractor to each small business or DVBE.

The Contractor will provide an ordering agency with the following information at the time the order is quoted:

1. The Contractor will state that, as the prime Contractor, it shall be responsible for the overall execution of the fulfillment of the order.
 2. The Contractor will indicate to the ordering agency how the order meets the small business or DVBE goal, as follows:
 - List the name of each company that is certified by the Office of Small Business and DVBE Certification that it intends to subcontract a commercially useful function to; and
 - Include the small business or DVBE certification number of each company listed, and attach a copy of each certification; and
 - Indicate the dollar amount of each subcontract with a small business or DVBE that may be claimed by the ordering agency towards the small business or DVBE goal; and
 - Indicate what commercially useful function the small business or DVBE subcontractor will be providing towards fulfillment of the order.
-

CMAS SERVICES GUIDE

SECTION 5 – SMALL AND DISABLED VETERAN BUSINESSES AND AMERICANS WITH DISABILITIES (ADA)

**Small
Business/
DVBE
Subcontracting
Participation
(Continued)**

The ordering agency's purchase order must be addressed to the prime Contractor, and the purchase order must reference the information provided by the prime Contractor from the quotation as outlined above.

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SECTION 6 – BEST VALUE DETERMINATION

What is Best Value?

Evaluation and award may be based on best value, and not restricted to lowest cost. Best value is whatever the agency determines is critical to the success of their transaction or project. See Public Contract Code 12100.7 (g).

Determining Best Value

To determine best value, the following minimum steps are required. The agency must:

- Define requirements (Statement of Work)
 - Obtain a copy of the contract from the Contractor
 - Review the contract in context with agency requirements and contractor offer
 - Compare contracts and offers with those from other contractors
-

Review Resumes

Before selecting a contractor, the agency must review the resumes of all contractor personnel to ensure that the expertise, education, and experience offered correlates with that specified in the CMAS contract.

Document Files

Best value decisions must be documented in the agency files. See ATTACHMENT D.

CMAS SERVICES GUIDE

ATTACHMENT A – OUTSOURCING SERVICES

Careful analysis must be given by state agencies to using contracted personnel rather than using civil service positions within state government.

The State Constitution generally requires contracting to be limited to those services that cannot be performed by civil service employees except as provided for in Government Code 19130.

Considerations are as follows:

Cost Savings

State Personnel Board (SPB) approval required. Any state agency proposing to execute a purchase order/contract based on cost savings to the State as justification for not using civil service personnel must first notify the State Personnel Board of its intention.

When is Outsourcing Permissible?

Issuing a CMAS purchase order for services is permissible when any of the conditions set forth in Government Code Section 19130(b) can be met:

- Exempt under Constitution
 - New state function and legislative authority
 - Service not available; highly specialized or technical
 - Incidental to the purchase or lease
 - Conflict of interest; need unbiased findings
 - Emergency appointment
 - Private counsel, with Attorney General (AG) approval and Governor's Office, if applicable
 - Contractor will provide things that are not feasible for the State to provide.
 - Training when civil service is not available
 - Urgent, temporary, or occasional services when civil service delay would frustrate the purpose*
-

Limited Service Hours

Once the agency determines that outsourcing is permissible (see above list), there are two options to consider:

Option 1 (Permissible Under Government Code 19130.b (3))

CMAS orders for personal services such as project management, independent verification and validation, systems analysis and design are not limited to the number of hours or months per year that a consultant can work if the services contracted for are not available within civil service, cannot be performed satisfactorily by civil service employees, or are of such a highly specialized or technical nature that the necessary expert knowledge, experience, and ability are not available through the civil service system. (Government Code Section 19130b (3)). Also, see the State Contracting Manual for additional information on Government Code, Section 19130, compliance.

Option 2 (Intermittent)*

CMAS orders for services such as programmers, systems analysts, and technical

CMAS SERVICES GUIDE

ATTACHMENT A – OUTSOURCING SERVICES

Limited Service Hours (Continued)	specialists that are of an urgent, temporary, or occasional nature, such that hiring additional civil service positions is not feasible, are limited to nine months (1548 hours) per consultant within a twelve consecutive month period (Government Code Section 19130.b (10) and California State Constitution, Article VII, Section 5).
Training	The Contractor may conduct training courses for which appropriately qualified civil service instructors are not available, provided that permanent instructor positions in academies or similar settings shall be filled through civil service appointment (Government Code 19130.b (9)).
Management Memo (MM) 95-18	<p>Government Code 19130(c) requires that all persons who provide services to the State under conditions that constitute an employment relationship shall, unless exempted by Article VII (Section 4) of the California Constitution, be retained under an appropriate civil service appointment.</p> <p>Management Memo (MM) 95-18 provides the guidance necessary to make the required determination between employee status and independent contractor status and requires a certification about employee status and independent contractor status for each individual under contract.</p>
Contract Reviews	<p>Purchase orders for services awarded on the basis of Government Code 19130(b) are subject to review at the request of an employee organization representing state employees. The State Personnel Board further requires a written justification that includes specific and detailed factual information that demonstrates how the purchase order meets one or more of the conditions specified in Government Code 19130(b) (see www.spb.ca.gov).</p> <p><u>Justification Required</u></p> <p>For each purchase order, the agency must prepare and <u>retain in file</u> a written justification that includes specific and detailed factual information that demonstrates the purchase order meets one or more of the conditions set forth in Government Code 19130(b). The top portion of the STD. 15 can be used for this purpose (do not transmit).</p>
Follow-on Contracts Prohibited	<p>No person, firm, or subsidiary thereof who has been awarded a purchase order for consulting services, or a purchase order that includes a consulting component, may be awarded a purchase order for the provision of services, delivery of goods or supplies, or any other related action which is required, suggested, or otherwise deemed appropriate as an end product of the purchase order (Public Contract Code 10365.5).</p> <p>Therefore, any consultant who develops a program study or provides formal recommendations is precluded from providing any work recommended in the program study or the formal recommendation.</p>

CMAS SERVICES GUIDE

ATTACHMENT B – CONFLICT OF INTEREST

State agencies need to determine whether the Contractor is or was a former or current state employee who is prohibited from contracting under the Public Contract Code 10410–10411 or Government Code 87401 et seq.

Consulting Contracts

State agencies must determine whether a consultant's proposed duties create any reporting requirements under the Political Reform Act.

Under some circumstances, consultants may be required to report economic interests; may be prohibited from receiving gifts; and/or may be disqualified from participating in certain decisions.

Covered Consultants

Covered consultants may include:

a. Individuals performing services with authority to:

- Approve a rate, rule or regulation
- Adopt or enforce a law
- Issue, deny, suspend, or revoke any permit, license, application, certificate, approval, order, or similar authorization or entitlement
- Authorize your agency to enter into, modify, or renew a purchase order provided it is the type of purchase order that requires agency approval
- Either grant agency approval for a purchase order that requires your agency's approval and to which your agency is party; or grant approval for the specifications for such a purchase order
- Grant agency approval to a plan, design, report, study, or similar item
- Adopt, or grant agency approval of, policies, standards, or guidelines for the agency, or for any subdivision of the agency

b. Individuals who serve under purchase order, in a staff capacity with the agency and in that capacity participate in making a governmental decision as defined in 2 CCR 18702.2.

c. Individuals who perform the same or substantially all the same duties for the agency that would otherwise be performed by an individual holding a position specified in the agency's Conflict of Interest Code under Government Code Section 87302.

Prohibited Financial Interest

Employees and certain consultants may be prohibited from participating in decisions or participating in "making purchase orders" if they have a financial interest. See Government Code 1090 et seq. and Government Code 87400 et seq.

CMAS SERVICES GUIDE

ATTACHMENT C – INSTRUCTIONS FOR PREPARING A STATEMENT OF WORK (SOW)

What is a Statement of Work?

A Statement of Work (SOW) is a definition of requirements. See Attachment E, Statement of Work (SOW) Samples.

Statement of Work

A written description of the work to be performed under a purchase order to satisfy particular needs. In simple transactions, it can consist of the line items on the face of the purchase order that define what is being purchased; each item of which may include specifications.

Specification

A generic term to refer to a written requirement of a purchase order that provides a concise and accurate description of the services to be provided.

Minimum Criteria

The purchase order must include at a minimum the following information:

- Detailed statement of the purpose, objective or goals
- Personnel job classification/skill level*
- Name/identification of assigned contractor personnel
- Identification of all significant material to be developed/delivered
- Completion/acceptance criteria
- Delivery timeframe/liquidated damages
- Estimated time schedule (start date, end date, milestones)
- Estimated number of work hours
- Fixed cost for each task (fixed price ceiling is the sum of all tasks)*
- Everything pertinent to the successful completion of the purchase order (e.g., technical specifications, floor plans, etc.)

*The purchase order must reflect the same position title, skill level, and fixed cost and/or hourly rate as specified in the contract.

Assume that the required deliverable will not be provided by the Contractor unless specifically spelled out in the purchase order.

Do not rely on verbal agreements or assumptions.

Attachment I

We strongly recommend that agencies review CMAS Agency Packet, Attachment I, for additional contract language and a List of Questions that can be used as a checklist when developing a Statement of Work.

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ATTACHMENT C – INSTRUCTIONS FOR PREPARING A STATEMENT OF WORK (SOW)

Sample SOW Criteria

-Resumes/references	-Insurance
-Installation (multiple sites)	-Training (administrative/user)
-Risk Factors	
-Interface concerns	-FSR (get a copy)
-Maintenance (escalation, remedial, preventive)	-Product needs
-Financing or payment arrangements	-Liquidated damages (late delivery)
-Financial responsibility	-Transition/implementation (phased)
-Federal funding (Debarment Certification)	-Task Delineation
-Warranty	-Data conversion
-Fiscal Year funding	-Timeframe constraints or timelines
-Security	-Project management or
-Backup	-Deliverables
-Analyze existing system for performance needs, features, attributes, reports	-Selection criteria
-Reporting during development (status, problems change control, money, approval hierarchy, problem escalation or resolution, walkthroughs)	-Public works (not acceptable)
-Testing (when, what type) (number of users, future modifications, ongoing support)	-Licensed software vs. developed
-S/DVBE participation goals	
-Cost/budget limits	-Unanticipated tasks
-Early payment discount	-Supplies

“To Do” List

- DO solicit the input and advice of the program people who will receive and use the product and/or service.
- DO prepare the SOW in terms of the results that are desired and the performance that is expected.
- DO tell the Contractor how such results or performance will be measured and how acceptance of the product or service will be defined and accomplished.
- DO structure the SOW so the Contractor can propose a complete solution to the stated problem rather than merely offering the individual items requested.
- DO NOT tell the Contractor how to do the job; for example: "staff the project with this number of people with the following qualifications."
- DO determine the full range of the problem to be solved. The SOW should be comprehensive.
- DO decide what is really required to meet the government's needs.
- DO determine the minimum required. How little can you do and still meet your needs?
- DO distinguish between the "must do" and the "nice to have."
- DO determine how the "nice to have" will be evaluated if they are proposed.
- DO determine the value to the government of the extras and try to quantify them.
- DO write a new SOW for each procurement.
- DO NOT just cobble together standard paragraphs from previous procurements. There are bound to be inconsistencies, gaps, and errors. Resolving these will delay the completion of the procurement.
- DO review the SOW even if the product or service is one that has been purchased before. Perhaps the requirements have changed, or there is a newer technological solution to the problem, or the marketplace has changed and what was once a specialty product or service is now commercially available off-the-shelf.

CMAS SERVICES GUIDE

ATTACHMENT D – AGENCY COMPLIANCE

The Procurement Division (PD) conducts periodic compliance reviews of an agency's procurement programs.

The Procurement Division's (PD) compliance reviews are conducted on-site at the agency location.

What is Reviewed?

Agencies must have evidence of the following available for review:

- Does the Contractor have a CMAS contract?
- Does the file contain a copy of the contract and the individual price pages for the items purchased?
- Was "best value" documented?
- Was pricing bundled?
- Are the prices, position titles, skill levels and hourly rates delineated and do they correlate with those specified in the CMAS contract?
- Does the dollar amount fall within order limits, or did PD approve an exemption to the order limit?
- Does the purchase order reflect the correct contract number?
- Is a STD. 204 included or referenced in the file documentation?
- Were small businesses considered?
- Was a Statement of Work included?
- Was conflict of interest considered (see ATTACHMENT B of this packet for guidelines)?

File Documentation

Departments must have a complete copy of CMAS contracts in use, including all terms and conditions, located in their purchasing unit. All CMAS transaction documents must include the face cover of the CMAS contract showing the effective date, and the price pages showing the base contract price for all items ordered.

Contractor Compliance Reviews

The Acquisition Quality Assurance Unit also conducts contractor compliance reviews. The agency is not involved in these reviews.

Be aware that contractors are required to return to the agency any purchase order that is non-compliant with the provisions of the contract and an amendment would be required to correct the information, or a new purchase order drafted.

The types of compliance issues reviewed are: Overcharging? Are the products and services on the contract and delineated by product/model, hourly rate, position title, or skill level as specified in the contract? Are prices bundled? Is the appropriate CMAS contract being used and in good standing? Have all Quarterly Reports been submitted?

See CMAS Agency Packet, Section 18, for agency compliance guidelines.

CMAS SERVICES GUIDE

ATTACHMENT E – STATEMENT OF WORK (SOW) SAMPLES

EXHIBIT 1

SCOPE OF WORK

A. STUDY OBJECTIVES

To gather opinion-based data from a sample of California small business owners/executives relative to:

- Current general knowledge and awareness regarding the small business component of the State's procurement efforts.
- Observations and reactions to the State's small business procurement processes from those small businesses that are either currently State certified or who once were certified and no longer are.
- Perceived barriers to small business certification and, in general, the State's procurement process as it relates to small business.
- Suggestions as to system (human and electronic) improvements that might make "doing business with the State" easier for small business.
- Suggestions as to effective ways to provide information about the State's small business procurement efforts to small businesses, and encourage them to become California Certified Small Businesses.

B. FOCUS GROUP PARAMETERS

To conduct and report findings on a total of five focus groups selected from San Francisco/Bay and Los Angeles areas:

Three groups composed of small business owners/executives who either currently are, or who have been in the past but who are not currently, certified as California Small Businesses.

Three groups composed of small business owners/executives who are *not* currently, and have never been, certified as California Small Businesses.

C. SUGGESTED TIMELINE

After the official "go ahead" date from the state, the Contractor shall adhere to the following timeline within the number of days indicated between each task.

Upon notification of official project "go-ahead" date.

6 days	Draft respondent screening questionnaire(s) submitted to the State.
5 days	State's comments on draft screening questionnaire(s) sent to contractor.
2 days	Final screening questionnaire(s) approved by the State.
5 days	Respondent recruiting begins.
7 days	Draft Discussion Guide(s) submitted to the State.
7 days	State's comments on Draft Discussion Guide(s) sent to contractor.
7 days	Final Discussion Guide(s) submitted to the State.

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ATTACHMENT E – STATEMENT OF WORK (SOW) SAMPLES

EXHIBIT 1

3 days	Final Discussion Guide(s) approved by the State.
4 days	Conduct focus groups.
8 days	Written Topline Summary submitted to the State.
TBD	Topline Summary Presentation to the State.
15 days	Draft Report of Findings submitted to the State.
7 days	State's comments on Draft Report of Findings sent to the Contractor.
7 days	Final Report of Findings submitted to the State.

D. SCOPE OF WORK DETAILS

1.0 Recruit Focus Group Respondents

1.1 Develop respondent specifications. Select and schedule focus group test sites. Design recruiting methodology. Prepare and submit Project Design Memorandum to the State.

Prepare draft respondent screening questionnaire(s) and submit to the state for review. Based on the state's review contractor shall finalize respondent screening questionnaires and obtain the state's approval.

Develop respondent recruiting specifications and respondent profile reporting formats.

Recruit sufficient focus group respondents from both listed sample provided by the State (currently certified and formerly certified small businesses) as well as recruiter's own databases (small businesses never certified) to ensure 8-10 respondents in each focus group.

Pay appropriate participation honorariums to each confirmed respondent who either participates in a focus group or is excused after arriving at the focus group test facility.

2.0 Conduct Focus Group Interviews

2.1 Prepare draft focus group Discussion Guide(s) which appropriately shape the focus group discussion so that researchers can gather opinion based data to answer state's research questions. Submit draft Discussion Guide(s) to the State for review. Revise draft(s) based on the State's review. Prepare and obtain the state's approval on final focus group Discussion Guide(s).

2.2 Provide focus group test facilities, which allow state's observation of focus group sessions, audio and video recording of the interviews, and appropriate hospitality for both respondents as well as the State.

2.3 Professionally moderate each focus group using the discussion guides as a framework for the interview; moderators to probe responses as needed, and allow the interview to move in directions appropriate for each group. Meet briefly with the State at the conclusion of each focus group for the purpose of sharing immediate observations and insights. Provide the State with videotape documentation of the focus group testing from the respondent screening questionnaires. Present Topline Summary as a written Memorandum as well as verbally to the State.

3.0 Data Analysis and Reporting

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ATTACHMENT E – STATEMENT OF WORK (SOW) SAMPLES

EXHIBIT 1

3.1 Prepare a Topline Summary Memorandum following the conclusion of the final focus group. In this Topline Summary capture preliminary key findings and initial recommendations. The Topline Summary will also include basic respondent demographic information assembled.

3.2 Transcribe and fully analyze audiotapes of focus group proceedings. Prepare and submit to the State a draft Final Report of Findings including respondent verbatim to document the findings. This draft Final Report of Findings will include sections on Study Methodology; Respondent Demographics; Summary of Key Findings (including verbatim); Recommendations.

3.3 Based on the State's review of the draft Report of Findings, prepare and submit the final Report of Findings, prepared as the final "public" documentation of this study. In the appendices to the report include samples of the respondent screening questionnaire, focus group Discussion Guide, and transcripts of the focus group interviews.

4.0 Deliverables

4.1 The final study deliverable will be two bound copies of the Final Report of Findings (including transcripts); audio tapes of all focus groups; a PC (MS WORD) disk containing a file of the report.

4.2 Deliverables will be accepted when presented complete as noted in 4.1.

E. RESPONSIBILITIES OF THE STATE:

Locations of services to be performed will be mutually agreed upon by both parties.

The State is responsible for providing required information, data and documentation to facilitate the Contractor's performance of the work, and will provide such additional assistance and services as is specifically set for in the scope of work.

Should the Contractor determine that a delay exists, or is probable due to failure of the State, the Contractor will notify the State in writing immediately.

F. MEETINGS:

The Contractor will be requested to participate in joint meetings with representatives of the State to discuss the issues and project status. These meetings will be held in Sacramento at a site to be determined by the State.

G. CONTRACTOR'S RESPONSE TO CMAS BEST VALUE DOCUMENT:

The Contractor's response to five pages dated June 27, 2001 with the Department of Readiness is incorporated by reference and made a part of this agreement by reference as if attached hereto.

H. POINTS OF CONTACT

Contractor and agency contacts.

CMAS SERVICES GUIDE

ATTACHMENT E – STATEMENT OF WORK (SOW) SAMPLES

EXHIBIT 2

STATEMENT OF WORK

This Statement of Work (SOW) reflects the services to be provided by Contractor, Inc., hereinafter referred to as "Contractor," for the State of California, Department of Blue.

A. INTRODUCTION

Contractor will create for the Department of Blue a Statement of Work (SOW) that will:

1. Serve as the "Request for Offer" to acquire the services of a Master Services Agreement supplier to conduct a 90-day "Diagnostic Review" of the State of California purchasing and contracting policy, procedures, practices and governance structure that is currently utilized in the administration of solicitations and contract awards by state agencies.
2. This shall provide a review of current State of California statutes, and Department of Blue regulations and policies, procedures, guidelines, and practices governing the acquisition of goods, services and information technology, and shall identify opportunities for improving consistent application of these procurement rules.
3. A clear delineation of the roles, responsibilities, and authorities vested (whether by statute, policy, or delegation) in each entity involved in the acquisition of goods, services and information technology by state agencies.
4. A clear delineation of the roles, responsibilities, and authorities vested in each entity involved in the issuance of notices of intent to award contracts, and protests of state agency solicitations and contract awards. This section of the "Diagnostic Review" shall also include analyses of the various procedures and processes, along with recommendations for changes that would improve their effectiveness.
5. A clear delineation of the authority of Department of Blue, and the Departments of MotorEase and Airways, in the acquisition of information technology.
6. A clear delineation of the Department of Blue' authority to enter into various types of contracting vehicles for use by state and local agencies (examples: Master Service Agreements, California Multiple Award Schedule (CMAS) agreements, Enterprise License Agreements, Statewide Commodity Contracts).
7. A clear delineation of the authority of Department of Blue and the Department of Defense to enter agreements for pharmaceuticals.
8. A clear delineation of the Department of Blue' authority to enter sole source contracts.
9. A clear delineation of the rules, agreements, standards and roles that describe the basis for interaction between state agencies, business functions and individuals within the State of California's procurement processes.

CMAS SERVICES GUIDE

ATTACHMENT E – STATEMENT OF WORK (SOW) SAMPLES

EXHIBIT 2

10. Recommendations for changes that would improve the clarity and effectiveness of statutes, regulations, policies, procedures, guidelines, and practices governing purchasing and contracting by state agencies.

11. By conducting this independent and objective review, the Department of Blue will have the information necessary to propose changes to current purchasing and contracting statutes, regulations, policies, procedures, guidelines, and practices that will assure consistent and equitable administration through out the State.

12. In addition, Contractor will develop any transmittal letters necessary to coordinate the appropriate interviews and final review and approval of the Request for Offer.

B. PERIOD OF PERFORMANCE

The period of performance for this Agreement shall be for a period of 30 calendar days, commencing on the date the Agreement is signed.

C. AMOUNT

The hourly rate is \$200 per hour. The total amount of this Agreement shall not exceed \$14,000.

D. DESCRIPTION OF SERVICES

Task 1: Project Initiation and Management

- Conduct a project scope meeting with the Department of Blue project sponsor(s) and designated staff to confirm the project objectives and approach.
- Review pertinent background materials.
- Interview at least six key participants. Interviews will be conducted either in person or by phone.
- Conduct debriefing sessions with the Department of Blue project sponsor(s) and appropriate staff upon completion of the interviews, to share the findings.

Contractor Responsibilities

- Request background materials.
- Conduct at least six key participant interviews.
- Establish feedback points with project sponsor.
- Develop transmittal letters discussing the project and requesting participation of key stakeholders.

Department Responsibilities

- Gather background materials that will assist the Contractor in their preparation.
- Identify participants for interview by contractor.

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ATTACHMENT E – STATEMENT OF WORK (SOW) SAMPLES

EXHIBIT 2

Task 2: Develop Draft Statement of Work

Task 3: Present Draft Statement of Work

The purpose of the meeting is to:

- Present the draft SOW to stakeholders.
- Identify any outstanding issues stakeholders may have with draft SOW.
- Identify actions that the Department of Blue must complete prior to the finalization of the SOW and release the Request for Offer.
- Develop an implementation plan (next steps) for the procurement of services described in the SOW.

Task 4: Finalize the Statement of Work and Cover Letter.

Prepare any required transmittal memoranda or letters to accompany the SOW as it is routed for various approvals.

Task 5: Present Finalized Statement of Work.

E. DELIVERABLES

Deliverables for this project include:

Task	Deliverable	Completion Timeframe
Task 1	Project Initiation & Conduct Interviews	36 hours of effort
Task 2	Develop Draft SOW	18 hours of effort
Task 3	Present Draft SOW	4 hours of effort
Task 4	Finalize SOW	8 hours effort
Task 5	Present Finalized SOW	4 hours of effort

F. POINTS OF CONTACT

Contractor and agency contacts.

CMAS SERVICES GUIDE

ATTACHMENT E – STATEMENT OF WORK (SOW) SAMPLES

EXHIBIT 3

A. SCOPE OF WORK

General Description – As a result of recent legislation, the State of California has been mandated to research its current policies and procedures on pharmaceutical products and services, and develop a plan to improve upon them. Contractor will study issues pertaining to prescription drugs and identify an alternative benefit program(s) for the State.

B. FOUR BASIC ISSUES THAT WILL BE EXAMINED BY THE CONTRACTOR:

1. Whether or not the State should establish or expand a third-party prescription benefit program or programs. If so, for whom: seniors (low-income or all seniors), non-seniors (low-income or all Californians), children (low-income or all-Californians), individuals in certain employment categories (such as unemployed, transitionally unemployed, employees of small businesses, state employees)?
2. Whether or not the State should impose price controls on prescription drugs. If a third-party program is established, price controls will become almost a necessity to keep program costs from spiraling out of control. Even in the absence of third-party payment, some states have pursued this option for the general market. This issue would include the question of whether statutorily-mandated lower-price provisions, such as that required under federal law for Medicaid beneficiaries, should be extended to other populations, as California did recently for all Medicare-eligible. The impact of each strategy must be considered not just for consumers but also for industry sub-segments such as pharmacists (chain or independent), separate from drug manufacturers, and how best to address the economic realities of each.
3. Use of other cost-containment strategies such as substitution of generic drugs, prescription benefit management, or therapeutic review system. Aggregation of purchasing power either through state-created purchasing programs or authorization of private purchasing cooperatives. If such an approach is utilized, for whom: seniors (low-income or all seniors), non-seniors (low-income or all Californians), children (low-income or all Californians), individuals in certain employment categories (such as unemployed, transitionally unemployed, employees of small businesses, state employees)? Again, the impact of such strategies must be considered not just for consumers but also for industry sub-segments such as pharmacists (chain or independent), separate from drug manufacturers, and how best to address the economic realities of each.
4. Each of these areas will be studied from the standpoint of economic effect, administrative implementation, legal constraints, and political feasibility. This will require, for each, undertaking a review of other states' experiences, federal limitations and requirement, and the California legal, governmental, and political environments.

CMAS SERVICES GUIDE

ATTACHMENT E – STATEMENT OF WORK (SOW) SAMPLES

EXHIBIT 3

C. DELIVERABLES:

Contractor will study each of the four enumerated subject areas for a period of three weeks each, resulting in a short background/decision memo being delivered to the State at the end of that period (Weeks 3, 6, 9 & 12 respectively). The State's responses on each of the options outlined in the background/decision memo should be returned to and discussed with the Contractor on a rolling basis. This will then allow two weeks (Weeks 13 & 14) for consolidation of the background memos and the State's responses into a draft decision memorandum; this draft product will be finalized in conjunction with the State's review during Week 14 (the 90-day mark).

D. FINAL PRODUCT:

The final product will be a decision memo providing sufficient background, data, and analysis to support the proposal program, and to allow legislative drafting and Budget Change Proposal development.

E. RESPONSIBILITIES OF THE STATE:

1. Locations of services to be performed will be mutually agreed upon by both parties.
2. The State is responsible for identifying appropriate contacts from other state agencies/departments to participate in discussions on the issues.
3. The State is responsible for providing required information, data and documentation to facilitate the Contractor's performance of the work, and will provide such additional assistance and services as is specifically set for in the scope of work.
4. Should the Contractor determine that a delay exists, or is probable due to failure of the State, the Contractor will notify the State in writing immediately.
5. Meetings: The Contractor will be requested to participate in joint meetings with representatives of the State to discuss the issues and project status. These meetings will be held in Sacramento at a site to be determined by the State.

F. CONTRACTOR'S MASTER AGREEMENT:

The Contractor's master agreement (contract #63-AA-99-88) with the Department of MasterMinds is incorporated by reference and made a part of this agreement by reference as if attached hereto.

G. PROJECT CONTACTS:

Contractor and agency contacts.

CMAS SERVICES GUIDE

ATTACHMENT E – STATEMENT OF WORK (SOW) SAMPLES

EXHIBIT 4

SCOPE OF WORK

Contractor agrees to provide recyclable paper collection services to the State Recovery Center as described herein. Contractor shall remove wastepaper from the State's facilities, sell paper, and reimburse the State for the sale of its wastepaper as described in Exhibit B.

The Contractor shall pick-up baled wastepaper from the State Recovery Center located at 23 Redding Blvd., Stockton, CA.

A. CONTRACTORS RESPONSIBILITIES

1. Contractor shall perform all services specified in a safe professional manner. Contractor's equipment shall be in good working order and shall be adequate for the services required.
2. Contractor's vehicles(s) shall have sound flooring and be free from objectionable materials and odors. Vehicles must be prepared to accept materials by supplying all equipment necessary to perform the requested services.
3. Contractor's personnel shall be trained in safety measures to preclude accidents endangering state personnel or property.
4. Contractor shall have adequate office and personnel resources for responding to the State's needs, including telephone coverage, Monday through Friday, excluding State Holidays, during normal working hours between 8:00 AM and 5:00 PM.

B. PERFORMANCE SPECIFICATIONS

1. Contractor must pick-up baled paper within two (2) working days of request from the State. Contractor may, with the agreement of the State, develop in writing a pick-up schedule as long as such schedule does not interfere with the operation and/or storage needs of the State Records Center.
2. At minimum pick-up will be considered a full truckload (approximately 33,500 pounds of baled paper), except in the case of tab card stock, when less than full truckloads may be required (at state's discretion).
3. Upon making each pick-up, contractor is required to sign a receipt prepared by the State indicating the quantities and grade of paper.
4. The State may mark each bale with the estimated weight thereof. Such weight shall be recorded on the receipt prepared by the State for the Contractor to acknowledge by signature of acceptance. As the listed bales are loaded onto the truck, they shall be verified as loaded.

CMAS SERVICES GUIDE

ATTACHMENT E – STATEMENT OF WORK (SOW) SAMPLES

EXHIBIT 4

5. Contractor may, with mutual consent of the State, provide storage containers or trailers for the storage and transportation of wastepaper bales. The State disclaims, and the Contractor acknowledges ownership, responsibility for upkeep, and liability for loss of or damage to, such containers.

C. STATE'S RESPONSIBILITIES

1. The State shall load bales onto vehicle(s) supplied by the Contractor. The State shall not be responsible for weight distribution of load, but will attempt to prevent overload of baled units.

THE STATE WILL NOT BE HELD LIABLE FOR ANY LOSS OR DAMAGE SUSTAINED BY THE CONTRACTOR IN CONNECTION WITH PICK-UP OF BALED PAPER.

2. When Contractor departs from the State's facility, the State reserves the right to accompany the truck to the nearest certified public weighmaster where the weight is to be confirmed.

3. Downgrades of bales after shipment must be in accordance with the following procedure:

- After notification of a downgrade, the State will notify Contractor within two (2) working days as to which of the following procedures the State has decided upon.
- Order reshipment of the material (return freight F.O.B. buyer's plant).
- Contact State Transportation Management Unit for routing instructions before returning shipment.
- Require the opportunity to inspect the quality of the rejected material within three working days from the time the State notifies contractor of procedures to be taken and during such period give contractor final disposition.
- Outside a 100-mile radius of Sacramento, the State, at its discretion, may require samples and/or photographs of rejected bales.
- Agree with the Contractor to a compromise acceptance and settlement.

4. Contractor will be required to provide technical assistance as requested by the State to assure desired quality level at the State Records Center. Any change resulting from such assistance shall be approved by the State prior to implementation.

D. DEFINITION OF GRADES

Paper grade definitions will be based generally on Circular PS-98 standards, but reflect specific materials shredded at the State Records Center.

1. Computer Printouts

Consists of white groundwood free paper in forms manufactured for use in data processing machines. This grade may contain colored stripes and impact or non-impact (e.g. laser) computer printing, and may contain no more than 5% groundwood in the pack. All stock must be untreated and uncoated.

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ATTACHMENT E – STATEMENT OF WORK (SOW) SAMPLES

EXHIBIT 4

Prohibitive materials: None permitted

Total Outthrows may not exceed: 2%

Price Base: Computer Printout: CPO(42)

2. Mixed Paper

Consists of a mixture of various qualities of paper not limited as to type of baling or fiber content.

Prohibitive materials may not exceed: 2%

Total Outthrows may not exceed: 10%

Price Base: Mixed Paper: MP(1)

3. Sorted Office Paper

Consists of baled paper, as typically generated by offices, containing primarily white and colored groundwood free paper, free of unbleached fiber. May include a small percentage of groundwood computer printout and facsimile paper.

Prohibitive materials may not exceed: 2%

Total Outthrows may not exceed: 5%

Price Base: Sorted Office Paper: SOP(37)

E. PROJECT REPRESENTATIVES

Contractor and agency contact.